

Acknowledgements

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Overview

This issue brief is part of a new series of publications from the Forum for Youth Investment (Forum) that focus on how policymakers can better use evidence to improve the lives of children, youth, and their families. This brief follows the Forum's recent report, *Managing for Success: Strengthening the Federal Infrastructure for Evidence-Based Policymaking*, which provided a landscape scan of the federal infrastructure for evidence as of January 2017 and recommended ways in which policymakers could better coordinate and strengthen the use of evidence across the federal government. The report organized the recommendations into three categories: elevating evaluation, integrating multiple types of evidence into decision-making processes, and using evidence for the purpose of improvement. This brief serves as a case study for the third category of recommendations and will look at how the Department of Labor (DOL) used evidence to improve its efforts to provide youth work experiences through the Workforce Innovation and Opportunity Act (WIOA).



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Evidence can serve a variety of uses, some of which may be more prominent than others. For example, while the use of evidence by Congress to justify increasing or decreasing funding for a particular program through the annual budgeting process may sound straightforward, the reality is less cut and dried. Budgetary constraints can stymie increases even when an effective program has widespread support.

On the other hand, constituencies often support programs that lack reliable evidence, and funders may be reluctant to cut a program without an available alternative to address underlying needs.

In addition, even the most rigorous evidence may not yield a clear answer about whether a program does or does not work to guide funding decisions. As a result, funding decisions can quickly become a political hot potato, which can polarize stakeholders around the use of evidence.

These complexities can trigger a backlash against the creation and use of evidence itself. Building sound evidence takes resources, including funding, staff time, and organizational focus.

If stakeholders do not believe that evidence will get used in meaningful ways, they lose incentive to dedicate these resources to generate evidence. Funding choices are highly visible and consequential examples of use—but they are not the only ones.

Using evidence to improve programs outside of the regular budgeting process offers a critical opportunity to strengthen results, while providing practitioners and policymakers alike with better information and more accessible choices.

KEY TERMS

ACF: Administration for Children and Families

ARRA: American Recovery and Reinvestment Act

DOL: U.S. Department of Labor

ETA: Employment and Training Administration

GAO: Government Accountability Office

TANF: Temporary Assistance for Needy Families

WDB: Workforce Development Board

WIA: Workforce Investment Act WIB: Workforce Investment Board

WIOA: Workforce Innovation and Opportunity Act

Emphasizing the use of evidence for improvement encourages researchers, policymakers, and providers to build stronger relationships with each other. This promotes a better understanding of which aspects of a program are already working and which need improvement, and how to adapt existing policy or practice to achieve better results.

Such a focus can encourage a variety of research methodologies that concentrate not only on whether a program is or is not working but also on how and why. In many cases, these methodologies may be easier for local communities to carry out and may provide more actionable information for key stakeholders, which, in turn, can also encourage a virtuous cycle of evidence building.

For example, information that enables an organization to improve through changes to internal policy, practice, and norms also provides an incentive for the organization to build internal capacity to use this evidence to improve programs. Diverse stakeholders then have a reason to buy into the evidence-building and evidence-use processes.

How to Focus on Improvement?

Using evidence to improve programs can take many forms, as demonstrated by WIOA and other policy developments at the federal level. For example, some policymakers and practitioners have pursued the following strategies:

- Incorporate a pay-for-success model to provide payment based on results achieved rather than services delivered—encouraging a focus on improvement such as that outlined in Section III of WIOA.
- Introduce new or modified program components into a current model based on findings from current research or evaluations, such as WIOA's addition of financial literacy training as a fundable youthrelated activity.
- Use performance data to monitor and test interventions, as DOL did when reviewing investments made prior to the passage of WIOA.

All of these strategies stress the importance of using different types of evidence—such as evaluation, performance management, and statistics—that can help inform different kinds of policy and implementation questions.

Improving Workforce Investments for Youth: DOL Case Study

Over time, DOL's Employment and Training Administration (ETA) has made evidence-based policy changes to encourage effective workforce investments for youth, including specific subpopulations. In particular, when WIOA increased the percentage of funding that local Workforce Development Boards (WDBs) must allocate to youth work experiences, DOL provided guidance and technical assistance to support states and local areas in making the shift to a focus on work experience. This case study will:

- summarize key research findings on short- and long-term labor outcomes for youth work experiences—and how federal policy changes unintentionally discouraged these practices,
- examine how changes under the Workforce Investment Act of 1998 (WIA) and the American Recovery and Reinvestment Act (ARRA) informed policy changes for youth work experiences under WIOA, and
- document how WIOA included a minimum expenditure requirement for youth work experiences that
 essentially repurposed funding from other WIOA activities, and how local WDBs around the country are
 implementing this requirement with the support of guidance from DOL.

Key Research Finding: Youth Work Experiences Increased Wages and Employment Prospects in the Short Term

In Confronting the Youth Demographic Challenge: The Labor Market Prospects of Out-of-School Young Adults, Andrew Sum and his colleagues examine the potential of work experience programs to improve future labor market success for youth and young adults. They note that "youth who participated more frequently and intensively in the labor market during their high school years tended to experience a smoother transition into the labor force in the first few years following their graduation from high school," citing research funded by DOL and the National Bureau of Economic Research as well as independent research from the 1970s and 1980s.¹

Sum notes that separate studies of longitudinal data from the National Longitudinal Survey of Youth, the National Survey of Adolescent Males, and the National Education Longitudinal Study all show that work experiences during the high school years lead to higher employment and stronger wages.

These studies generally examined participants who completed in-school work experiences during high school and reported on outcomes two to three years after they graduated. Significantly, "those youth who were employed more frequently and intensively during their high school years were found to earn higher hourly and weekly wages in their early adult years."² These findings suggest that encouraging youth employment, in terms of both frequency and intensity, could lead to stronger employment and wage outcomes for young people.



Key Research Finding: Youth Work Experiences Increased Wages, Employment Prospects, and Health Coverage in the Long Term

Christopher Ruhm utilized data from the National Longitudinal Survey of Youth to estimate the long-term effects of youth work experiences 7 to 10 years after high school.

His analysis revealed that "students who worked during the senior year of high school obtained significantly higher annual earnings than their non-enrolled counterparts seven to 10 years after high school."

Ruhm also found that "those young adults with 20 or more hours of work per week during the senior year obtained access to jobs in higher- status occupations and were more likely to receive health insurance coverage and pension coverage from their employers than their peers who did not work during the senior year of high school."⁴

This research confirms that the positive effects of youth work experiences persist even seven to 10 years after high school. Moreover, because the study looked at youth with 20 or more hours worked per week, findings demonstrate that the intensity of the work experience also matters.

Key Research Finding: Length of Youth Work Experiences Can Increase These Effects

A 2006 paper looked at employment rates for youth aged 16–20 based on the number of weeks they had worked in the previous year.

Analyzing Current Population Survey data, it found that "2005 employment rates of...students ranged from only 8 percent among those with no weeks of paid work in 2004 to 32 percent for those who worked 1–13 weeks and to a high of 88 percent for those who worked six months or more." This meant that "students in the last...category were 11 times more likely to be working in March 2005 than their peers with no work experience in the prior year."

A 2007 paper used six years of survey data from the Boston Private Industry Council to look at how in-school work experiences for high school seniors affected future employment rates. The researchers found that "the more an individual works in the summers or during the senior year of high school, the higher the probability of employment in the early post-high school years." The researchers then used regression models to control for outside variables that could influence or bias the data and found that:

- (1) graduates who worked one or two summers in high school were 8.1% more likely to be employed than those who did not.
- (2) graduates who worked 27 weeks or more in their senior year were 28.2% more likely to be employed than those who did not work during their senior year, and
- (3) the impact on employment was higher for seniors who worked over 27 weeks during their senior year as opposed to 26 or fewer weeks.

Work experience, particularly in the senior year of high school, has a significant effect on post-graduation employment rates.⁸ This research mirrors earlier findings from Boston Private Industry Council data from the 1990s as well.⁹



Unintended Consequences: Workforce Investment Act Leads to Reduced Youth Work Experiences

The United States had invested at the federal level in work experiences for some Americans such as through the Civilian Conservation Corps in the 1930s. This program, among others, were intended to be temporary forms of relief from the Great Depression and many were disbanded with the onset of World War II.

The federal government began funding youth employment programs again in 1964 through the Job Corps program, which offers education and vocational training for youth aged 16–24. Federal investments in youth employment experiences expanded during the 1980s with the Job Training Partnership Act. This law provided two funding streams for summer and year-round youth employment opportunities.

In the 1990s, WIA consolidated the summer and year-round programs into one funding stream with new requirements, performance measures, and program elements. Local Workforce Investment Boards (WIBs), which were renamed Workforce Development Boards under the later WIOA legislation, now had to make 10 separate program elements available to all youth in their area.

These elements included tutoring, alternative secondary-school offerings, occupational skill training, leadership development opportunities, supportive services, adult mentoring, and counseling. WIBs also had to provide various follow-up activities to youth for 12 months after their participation in the program.¹⁰

These changes were challenging for local WIBs, as they needed to move from stand-alone summer youth employment programs, which were often popular locally, to comprehensive year-round services that incorporated numerous program elements informed by youth development principles.

Many local WIBs struggled to adapt by altering eligibility determination processes, attracting additional service providers, and establishing linkages among various youth programs. All of these modifications proved difficult to implement. The end of the traditional stand-alone summer program and the requirement of additional program elements led to a drop in youth enrollment in summer programs ranging from 50–90 percent in most local areas.¹¹

Due to this unintended consequence of WIA changes, localities did not generally use a sizable amount of funds from WIA for work experiences leading up to the Great Recession that began during the late 2000s.

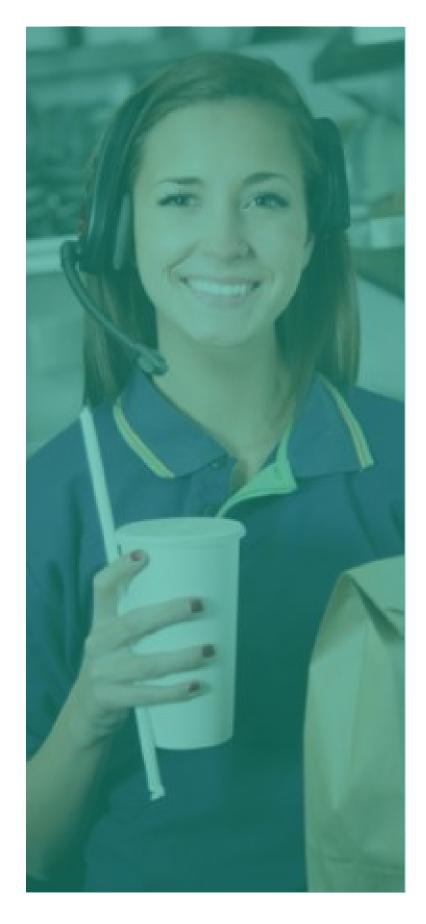
ARRA: Increasing and Extending Youth Employment Opportunities

The summer of 2008 saw a record low employment rate for teenagers in the U.S. job market. The average employment rate for teenagers across June, July, and August was 32.7 percent, which "represented a new 60 year historical low." ¹²

President Obama would sign ARRA into law in February 2009. Given the large body of research on the short- and long-term effects of youth work experiences summarized earlier, ARRA would form a crucial part of the Obama administration's recovery effort in 2009 and 2010.

Approximately \$1.2 billion in funding from ARRA supported the provision of employment and training activities to disadvantaged youth, with Congress and DOL encouraging "states and local workforce investment areas charged with implementing these youth activities to use the funds to create employment opportunities for these youth in the summer of 2009," with the goal being to "spur local economies and to provide employment experiences to disadvantaged youth." 13

ARRA also helped DOL foster new partnerships to support summer employment opportunities. The Temporary Assistance for Needy Families (TANF) program under the Department of Health and Human Services Administration for Children and Families (ACF) received emergency contingency funds under ARRA. ¹⁴ ETA and ACF joined together to encourage partnerships between WIBs and local TANF agencies in order to continue funding youth work experiences after DOL exhausted funding from ARRA. ETA would later promote a similar partnership with state and local Community Services Block Grant offices as well to further expand summer youth work experiences. ¹⁵



Key Research Finding: Youth Work Experiences Increase Work-Readiness Skills

The first evaluation of the 2009 investment in summer youth work experiences, Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative, was an implementation study of the Summer Youth Employment Initiative (SYEI) released in February 2010 by Mathematica.

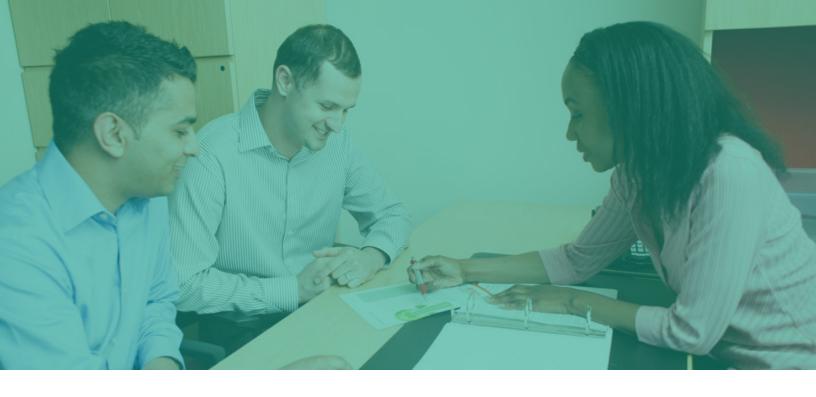
The study looked at state monthly performance data collected by ETA for all youth who participated in the program during the summer of 2009, as well as qualitative data from 20 detailed site visits that included interviews with 601 individuals.¹⁶

The 2009 initiative enrolled over 355,000 youth across the country, with 314,000 ultimately placed in summer jobs. 17 Sixty-three percent of youth served were in-school and 36 percent were out-of-school. Of the youth served, 88 percent were placed in summer employment; the remainder, outside of the summer. 18

Congress required states to report "on the percentage of participants in summer employment who attained a work readiness goal." ETA further asked states to report on the proportion of youth who completed their summer work experience. The monthly performance data shows that just under 75 percent of youth achieved a measurable increase in work-readiness skills and just over 82 percent completed their summer work experience.

The report concluded by noting that the initiative had a threefold effect, where "first, [programs] got money into the hands of needy families. Second, youth and their families spent the disposable income earned through SYEI jobs in their depressed local economies. Third, youth earned valuable work experience, increasing their human capital and long-term job prospects."²⁰





Key Research Finding: Strong Demand and Benefit for Expanding Paid Work Experience for Older Youth, Out-of-School Youth

Mathematica also evaluated post-summer efforts in their June 2011 report, Beyond a Summer Work Experience: The Recovery Act 2009 Post-Summer Youth Employment Initiative. In addition to funding summer programs, ARRA authorized states and localities "to continue to fund work experience opportunities for out-of-school youth ages 18–24 for an additional six months" spanning October 2009 to March 2010.²¹

The evaluators conducted site visits at eight local workforce investment areas to better understand how they invested in youth work experiences after the initial summer period. The researchers noted that "most sites used the post-summer period to extend the work experiences of youth who were already participating in a summer subsidized work experience," ensuring that youth worked anywhere from six to 11 months as opposed to just six to eight weeks in the summer program only.²²

This expansion mirrors research demonstrating that longer work experiences can lead to better employment and earnings outcomes for youth.

The site visits demonstrated that "there is a great deal of interest and willingness among older, out-of-school youth to make an initial connection with the workforce system if the offer on the table is an immediate job and wages." Youth also "developed more job-specific hard skills and were entrusted by employers with more responsibility and autonomy" over the longer work experience period. 24

Youth demand for these post-summer services "frequently exceeded sites' enrollment capacity" and "point to the need to consider increasing resources to support a year-round, temporary paid work experience strategy that targets older, out-of-school youth.²⁵



WIOA: Minimum Expenditure Requirement for Youth Work Experiences

President Obama signed WIOA into law in 2014 after a bipartisan reauthorization by Congress. As noted by DOL, "WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy." Like previous versions, the legislation authorizes a number of funding streams for employment and training services for adults, dislocated workers, and youth as well as individual programs for specific populations of Americans such as disconnected youth, migrant or seasonal workers, veterans, and Indian and Native Americans.

The six core programs are administered by DOL and the Department of Education.²⁷ Title I youth funding supports the provision of services such as work experiences, counseling, educational supports, and skills training for in-school youth aged 14–21 and out-of-school youth aged 16–24.²⁸ A key change related to work experience in WIOA is a new minimum expenditure requirement for work experiences. Similar to WIA, the law authorizes a range of services that can be supported by youth funds.

These include tutoring, alternative secondary-school services, paid and unpaid work experiences, occupational skill training, education offered with workforce preparation activities, leadership development opportunities, supportive services, adult mentoring, follow-up services, comprehensive guidance and counseling, financial literacy education, entrepreneurial skills training, career counseling, and postsecondary transition services.²⁹

However, WIOA mandates that "not less than 20 percent of the funds allocated to the local area" for these services must go to provide in-school and out-of-school youth with paid and unpaid work experiences.³⁰

DOL reinforced this statutory requirement in its WIOA regulations, which state that WDBs must "expend not less than 20 percent of the funds allocated to them to provide... paid and unpaid work experiences." The regulations then further define work experience as "a planned, structured learning experience that takes place in a workplace for a limited period of time," and can occur in the private, nonprofit, or public sector and "must include academic and occupational education." 33

Allowable types of work experiences include: "(1) summer employment opportunities and other employment opportunities available throughout the school year; (2) preapprenticeship programs; (3) internships and job shadowing; and (4) on-the-job training opportunities."³⁴ Further DOL guidance confirmed that the change would be required for local workforce boards in 2015.³⁵

Key Research Finding: WIOA Increased Funding Allocations for Youth Work Experiences

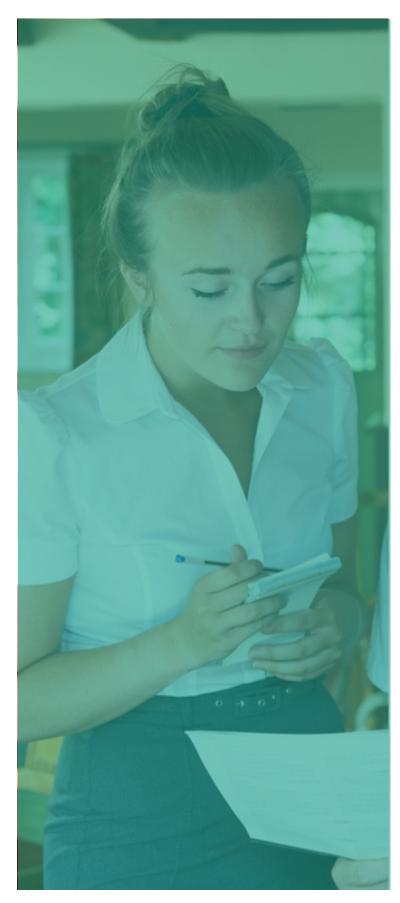
The Government Accountability Office (GAO) released a report to the U.S. Senate in June 2018 detailing how states and localities were implementing the youth program requirements in WIOA and addressing any associated challenges. ³⁶ GAO conducted a nationally representative survey of 106 workforce development area leaders to explore the implementation progress of WIOA.

The survey found that 69 percent of workforce areas were spending greater than 20 percent of their youth funds on work experiences in 2016. A total of 11 percent reported spending less; 20 percent did not answer. In terms of implementation, 42 percent of local workforce areas reported that meeting the 20 percent work experience requirement for youth was challenging only slightly or not at all. Some 34 percent reported that the change was moderately challenging, and 21 percent found it to be very or extremely challenging.³⁷

The survey also looked at some of the strategies local areas used to meet the work experience requirement as well as the challenges these local areas faced. According to the GAO, "an estimated 82 percent of local workforce areas reported they had expanded work experience opportunities, and 59 percent of local workforce areas reported they provided work experiences to a greater percentage of youth participants than in the years prior to WIOA."38

The most common work experiences were year-round and summer paid employment opportunities. Local workforce areas provided other work experiences such as internships, on-the-job training, job shadowing, and pre-apprenticeships less regularly.³⁹

This is particularly promising, as research demonstrates that work experiences that are both longer and more intense (more hours per week) tend to have stronger effects on wage and employment outcomes for youth later in life.



Conclusion

Through decades of research and careful study of policy changes, Congress and DOL were able to better understand how their investments in work experiences for youth were implemented and how their program goals were or were not met. As a result, DOL and other stakeholders were equipped with sound evidence to inform policy during critical junctures, particularly the passage of ARRA and WIOA.

The resulting minimum expenditure requirements for youth work experiences as a result of WIOA are now being implemented by state and local agencies across the country. This illustrates how a commitment to using evidence for improvement can, over time, yield concrete benefits—even across fluctuating budget cycles.



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DC Office: 7064 Eastern Avenue, NW Washington, DC 20012 Michigan Office: 301 W. Michigan Ave., Suite 200, Ypsilanti, Michigan 48197